

Date Mailed May 20, 1999

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application for Authority to Transfer Operating Control of
Wisconsin Electric Power Company's Transmission System
to the Midwest ISO Pursuant to the Provisions of Wis. Stat.
§ 195.485 (4)

6630-EI-107

**NOTICE OF PROCEEDING, POSSIBLE INVESTIGATION,
ASSESSMENT OF COSTS, AND REQUEST FOR COMMENTS**

Comments Due: June 15, 1999 - Noon	Address Comments To: Lynda L. Dorr, Secretary to the Commission Public Service Commission P.O. Box 7854 Madison, WI 53707-7854 FAX (608) 266-3957
FAX Due: June 14, 1999 – Noon	

THIS IS A PROCEEDING, pursuant to Wis. Stat § 196.485(4), to consider Wisconsin Electric Power Company's (WEPCO) application for authority to transfer control of its electric transmission system to the Midwest Independent System Operator (Midwest ISO) once the Midwest ISO is ready and able to operate.

Background

During the spring 1998, the Public Service Commission of Wisconsin ("Commission") considered the then proposed Midwest ISO in a generic proceeding about ISOs, docket 05-BE-100. The Commission identified in its decision what is called "insufficiencies" in the Midwest ISO's structure in two areas: control area operation and the independence of the Board of Directors.

Since then, the Midwest ISO filed an application with the Federal Energy Regulatory Commission ("FERC") for approval. FERC conditionally approved the Midwest ISO's structure and operation, among other things, on September 16, 1998, docket ER98-1438-000, 84 FERC ¶ 61,230.

On December 11, 1998, the Midwest ISO became a non-stock, not for profit corporation duly incorporated in the state of Delaware and elected a board of directors. Currently, 20 utilities with service territories over portions of 11 states have committed to membership, each of which of whom is entitled to one vote. In addition, an advisory committee consisting of

14 representatives from various stakeholder groups has been established to advise the Board on issues of concern and to suggest recommendations.

On December 31, 1998, the Midwest ISO filed amendments to the Midwest ISO Agreement with the FERC to address each of the concerns raised by the FERC regarding the Agreement as initially filed. WEPCO believes the amendments to the Midwest ISO agreement sufficiently address the concerns identified by the Commission in its decision in docket 05-BE-100.

On April 9, 1999, WEPCO filed with the Commission an application for authority to transfer control of its electric transmission system to the Midwest ISO. This application is the subject of this proceeding.

On April 16, 1999, the FERC issued its order conditionally accepting the Midwest ISO compliance filing. 87 FERC ¶ 61,085.

Request for Comments

The Commission requests interested parties to provide written comments on WEPCO's application in this docket. These comments should relate directly to and address only issues raised in the application. In addition to general comments on the application, comments may address the following questions:

1. Does the Midwest ISO meet the requirements of Wis. Stat. § 196.485 (4)(a)? If not, why not?
2. Does WEPCO's application to transfer control of its transmission system to the Midwest ISO impact the company's retail revenue requirement at this time? If so, how and what should the Commission do concerning such retail revenue requirement and when?
3. What conditions, if any, should the Commission place on the transfer of control of WEPCO's transmission system to the Midwest ISO?
4. Does WEPCO's application raise any functional segmentation of utility assets issues? If so, what part of the application raises the issue(s), what are the issues, and to what extent must these issues be resolved before a decision in this docket?

A copy of the application is available at the Commission.

Procedure in this Docket

Commission staff will review all responses to the Commission's Request for Comments and will prepare a memorandum for the Commission, which summarizes the responses received. The Commission will then determine the need for a hearing.

NOTICE IS GIVEN that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicant in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

The Commission requests comments on the above issues. Any party who desires to file comments should submit an original and 15 copies as indicated in the box on page 1. Members of the public need only file an original. These comments must be received by **noon on June 15, 1999**. Comments by fax are due one day earlier. Fax filing cover sheets must state "Official Filing" and include the docket number and the number of pages (limit of 20 pages). File by one mode only.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to get this document in a different format should contact the case coordinator listed below.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director, at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator Mary Kettle at (608) 267-2405.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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